

Department of Social and Health Services

DP Code/Title: M2-LR Administrative Reductions

Program Level - 110 Admin & Supporting Svcs

Budget Period: 2001-03 Version: K3 110 2001-03 2003 Sup Agency Req

Recommendation Summary Text:

This decision package distributes the administrative reductions to all programs within the Department of Social and Health Services (DSHS).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	4,497,000	4,497,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	2,950,000	2,950,000
Total Cost	0	7,447,000	7,447,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	(30.5)	(15.3)

Package Description:

Administrative reductions totaling \$10,490,000 (\$7,050,000 GF-S) were placed in the Administration and Supporting Services (Program 110) portion of the department's budget in two separate budget steps:

1. IT Systems Streamlining - \$2,503,000 (\$1,503,000 GF-S). This step was intended to achieve savings through reduced utilization of information services and also through reduced prices and economies of scale for bulk IT equipment purchases.
2. Administrative Reductions - \$7,987,000 (\$5,547,000 GF-S). The department was allowed the flexibility of administering this cut in either "central administration" or across administrative functions throughout the agency.

This decision package distributes the administrative reductions among all programs.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This decision package contributes to the agency goal of accounting for use of public dollars.

Performance Measure Detail

Goal: 01Z DSHS Accounts for Its Use of Public Dollars

No measures submitted for package

Incremental Changes
FY 1 FY 2

Reason for change:

The administrative reduction totaling \$10,490,000 represents cost savings measures identified by all programs in DSHS. Currently, the entire administrative reduction is in Program 110.

Impact on clients and services:

None

Impact on other state programs:

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All programs are impacted.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

No alternatives were explored.

Budget impacts in future biennia:

This administrative reduction will carry forward into future biennia.

Distinction between one-time and ongoing costs:

There are no costs associated with this decision package.

Effects of non-funding:

Not applicable

Expenditure Calculations and Assumptions:

See attachment - AW M2-LR Alloc of Admin Reduct to Programs.xls

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
A	Salaries And Wages	0	2,544,916	2,544,916
B	Employee Benefits	0	1,111,568	1,111,568
E	Goods And Services	0	3,644,482	3,644,482
G	Travel	0	(5,137)	(5,137)
J	Capital Outlays	0	(29,500)	(29,500)
N	Grants, Benefits & Client Services	0	(2,344)	(2,344)
P	Debt Service	0	(8,783)	(8,783)
T	Intra-Agency Reimbursements	0	191,798	191,798
Total Objects		0	7,447,000	7,447,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	4,497,000	4,497,000
<i>Total for Fund 001-1</i>		0	4,497,000	4,497,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	2,950,000	2,950,000
<i>Total for Fund 001-C</i>		0	2,950,000	2,950,000
Total Overall Funding		0	7,447,000	7,447,000